

REMARKS

Claims 1 through 6 have been amended. Claims 1 through 6 remain in the application.

Claims 1 through 6 were rejected under 35 U.S.C. § 101 because the claimed invention was allegedly directed to non-statutory subject matter and therefore lacks utility. Applicants respectfully traverse this rejection.

As to inventions patentable, 35 U.S.C. § 101 provides that:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

The plain and unambiguous meaning of Section 101 is that any invention falling within one of the four stated categories of statutory subject matter may be patented, provided it meets the other requirements for patentability set forth in Title 35. A patent cannot be held invalid under 35 U.S.C. § 101 pursuant to so-called “business method” exception to statutory subject matter, since business methods are subject to the same legal requirements for patentability as any other process or method. State Street Bank & Trust Co. v. Signature Financial Group Inc., 47 U.S.P.Q.2d 1596 (Fed. Cir. 1998).

Claims 1 through 6 claim a computer implemented method of optimizing market and institutional risks in foreign currency exchange hedging. While the method may be a business method, it is still statutory subject matter. As such, the method is useful and is one of the statutory categories of patentable subject matter. The method of the present invention therefore has utility. Contrary to the Examiner’s opinion, the method has a technological environment because it is a computer implemented method. The computer implemented method of the present invention has a practical application because it produces a “useful, concrete and

tangible result” by choosing between optimal portfolios based on trade-offs between institutional risk and market risk of losses due to hedging. As such, the method has practical application and is one of the statutory categories of patentable subject matter. Contrary to the Examiner’s opinion, the method has a practical application because it uses an optimization framework for evaluating the risk of different hedging strategies using foreign currency exchange forwards as is known in the art. The Examiner is incorrect that it lacks utility. Therefore, it is respectfully submitted that claims 1 through 6 are allowable over the rejection under 35 U.S.C. § 101.


Claims 1 through 6 were rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicants regard as the invention. Applicants respectfully traverse this rejection.

Claims 1 and 6 have been amended to clarify the relationship between the steps of using the VaR calculator and the step of choosing. As such, the limitation of using a VaR calculator and an optimization procedure has a relationship to determine an efficient frontier line. In addition, the step of using the VaR calculator and optimization procedure has been clarified to determine the efficient frontier line and therefore is not indefinite. Further, the specific way of using the VaR calculator and optimization procedure can be interpreted in light of the specification. As such, claims 1 through 6 define the relationship between the steps claimed and are directed to a computer implemented method of optimizing market and institutional risks in foreign currency exchange hedging. It is respectfully submitted that claims 1 through 6 are allowable over the rejection under 35 U.S.C. § 112, second paragraph.

Claims 1 through 6 are deemed novel and unobvious over the art of record.

Based on the above, it is respectfully submitted that the claims are in a condition for allowance, which allowance is solicited.

Respectfully submitted,

By: 
Daniel H. Bliss
Reg. No. 32,398

BLISS McGLYNN, P.C.
2075 West Big Beaver Road, Suite 600
Troy, Michigan 48084
(248) 649-6090

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